

9. Within thirty (30) days of its receipt of the Network Element Bona Fide Request quote, Cox must either accept or reject such quote. If Cox rejects such quote, it may seek arbitration by the Commission pursuant to Section 252 of the Act. If Cox accepts such quote, then the Parties shall negotiate in good faith any additional terms and conditions regarding VZ-VA's provision of the Network Element that are not included in or inconsistent with the Network Element Bona Fide Request quote. VZ-VA may, but is not required to, provide such Network Element under the terms, conditions and prices (including, but not limited to, the terms and conditions defining the network element and stating when and where the network element will be available and how it will be used, and terms, conditions and prices for pre-ordering, ordering, provisioning, repair, maintenance and billing) that are set forth in an applicable tariff of VZ-VA (a "VZ-VA UNE Tariff"). In the absence of a VZ-VA UNE Tariff, prior to VZ-VA's provision of such Network Element, the Parties will negotiate in good faith an amendment to the Interconnection Agreement so that the Interconnection Agreement includes terms, conditions and prices for the Network Element (including, but not limited to, the terms and conditions defining the Network Element and stating when and where the Network Element will be available and how it will be used, and terms, conditions and prices for pre-ordering, ordering, provisioning, repair, maintenance and billing) that are consistent with Applicable Law.

10. If a Party to a Network Element Bona Fide Request believes that the other Party is not requesting, negotiating or processing the Network Element Bona Fide Request in good faith, or disputes a determination, or price or cost quote, or is failing to act in accordance with Section 251 or 252 of the Act, such Party may seek mediation or arbitration by the Commission pursuant to Section 252 of the Act.

In the Matter of

Petition of Cox Virginia Telcom, Inc.
Pursuant to Section 252(e)(5) of the
Communications Act for Preemption
Of the Jurisdiction of the Virginia
State Corporation Commission
Regarding Interconnection Disputes
With Verizon Virginia, Inc. and
For Arbitration

20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

28
29
30
31
32
33
34
35
36
37
38
39
40
41

30
31
32
33
34
35
36
37
38
39
40
41

32
33
34
35
36
37
38
39
40
41

34
35
36
37
38
39
40
41

36
37
38
39
40
41

38
39
40
41

40
41

1
2
3
1. INTRODUCTION OF WITNESS

4 Q. WHAT IS YOUR NAME AND WHAT IS YOUR BUSINESS ADDRESS?

5
6 A. My name is Francis R. Collins and my business address is CCL Corp. PO
7 Box 272, Newton, MA 02459.
8
9

10 Q. WHAT IS YOUR ASSOCIATION WITH CCL CORPORATION?

11
12 A. I am the president of CCL Corporation, a company that provides public
13 policy, technical, and economic counsel in the fields of
14 telecommunications and cable television.
15
16

17
18
19
2. QUALIFICATIONS OF WITNESS

20 Q. WHAT IS YOUR BACKGROUND AND EXPERIENCE?

21
22 A. My professional practice has been in the telecommunications industry for
23 the past thirty nine years. I started my professional career at Bell
24 Telephone Laboratories and after the first six years in the Laboratories
25 have been providing; public policy, managerial, system design, technology
26 applications, and economic counsel to clients for the past thirty-three
27 years.
28

29 I have provided commentary or testimony on matters concerning
30 arbitration and or specifically related to issues which are the same or are
31 similar to those in this arbitration in Arizona, California, Connecticut, Iowa,
32 Nebraska, New Hampshire, New York, Michigan, Ohio, Oklahoma, Rhode
33 Island, and Virginia and through action of the Commissions in Maine and
34 Vermont.
35

1 Exhibit A, attached to this testimony, is a more complete presentation of
2 qualifications in support of my standing to provide recommendations to
3 the Federal Communications Commission ("FCC") on these matters.
4

5
6 **3. PURPOSE OF TESTIMONY**
7

8
9 Q. DR. COLLINS, WHAT IS THE PURPOSE OF YOUR TESTIMONY?
10

11 A. My testimony is intended to provide information to the FCC which will be
12 significant in their understanding of the issues which underlie and
13 substantively compose the basis for the Petitioner's position in the
14 negotiations, which the Petitioning Party, Cox Virginia Telcom, Inc.
15 ("Cox"), has been conducting with the Responding Party, Verizon Virginia,
16 Inc. (herein after "VZ-VA"), (collectively - the Parties). Additionally, my
17 testimony presents information that will indicate why it has become
18 necessary for Cox to petition the FCC for arbitration.
19

20 In order to follow the information which will be presented in this testimony,
21 and likely throughout this arbitration, it is necessary to know that these
22 negotiations were conducted under the guidance, and technological and
23 economic criterion established in the Federal Telecommunications Act of
24 1996 ("Act"), Pub.L. 104-104, 110 Stat. 56 *et seq.* and the implementation
25 rules of the FCC.
26

27
28 **4. RECOMMENDATIONS TO THE FCC**
29

30
31 Q. DR. COLLINS COULD YOU SUMMARIZE THE RECOMMENDATIONS
32 CONTAINED THROUGHOUT YOUR TESTIMONY FOR THE FCC?
33

34 A. In summary, my recommendations are that the FCC accept the language
35 in Cox's Petition Exhibit No. 6 (Cox Interconnection Agreement) and Cox's
36 proposed language in Exhibit No. 3 (Summary-Disputed Issues) and

1 approve the agreement for interconnection between Cox and VZ-VA in
2 terms of that language. The language represents that which flows from
3 my testimony and represents the best balance between the positions of
4 Cox and VZ-VA on the issues. Additionally, it represents an Agreement
5 under which Cox can continue to make capital investments in Virginia and
6 contribute to the robustness of the competition envisioned by the Act.
7
8

9 **5. EXECUTIVE HIGHLIGHTS OF THE**
10 **ARBITRATION PROCESS AND THE ISSUES IN**
11 **DISPUTE**
12
13

14 Q. DR. COLLINS, WOULD YOU HIGHLIGHT THE NEGOTIATION
15 PROCESS AS CONDUCTED WITH VZ-VA?
16

17 A. The VZ-VA/Cox negotiations have taken place over an extended period of
18 time via telephone conferences. These interactions have involved the
19 exchange of documents, the mutual identification of issues and the
20 negotiation of language. The negotiations have settled a number, but not
21 all, of the issues necessary to complete the Agreement. VZ-VA and Cox
22 are still open to continuing the negotiation and are doing so.
23

24 Cox believes that its position, described more fully below, on the
25 outstanding issues comport with the Telecommunications Act of 1996 ("96
26 Act" or "Act"), the FCC's First ("FCC Order") and Second Report and
27 Order ("FCC 2nd Order"), The FCC's Advanced Services Order, and other
28 Actions of the FCC (collectively "FCC Orders"); and the results of recent
29 federal appellate court proceedings relating to those rules specifically the
30 Decision of the Supreme Court and the recent Decision of the Eighth
31 Circuit Court as it relates to these issues.
32
33

34 Q. DR. COLLINS WHAT ARE THE AREAS OF ISSUE RESULTING FROM
35 THE VZ-VA/COX NEGOTIATIONS TO DATE?
36

1 A. In filing for this Arbitration Cox has set out the issues in its Petition for
2 Preemption and Arbitration that it believes needs to be resolved. In
3 summary these are Cox Issue Nos.: (1), the Interconnection Point/Point of
4 Interconnection as they relate to the concept of Geographical Relevance;
5 (2), Cox discounting its mileage-sensitive rate element for interconnection
6 facilities leased by VZ-VA; (3), Cox being compelled to furnish VZ-VA
7 collocation at Cox's premises; (4), Cox being required to engineer its
8 network in accordance with VZ-VA's internal engineering guidelines; (5),
9 the treatment of local traffic terminating at the local traffic connection ports
10 of internet service providers; (6) VZ-VA's attempts to require Cox to
11 engineer and forecast VZ-VA's interconnection needs for the delivery of
12 VZ-VA's traffic to Cox; (7), VZ-VA's insistence that it has the right and
13 authority to intrusively monitor Cox's access to and use of CPNI made
14 available to Cox through the Interconnection Agreement; (8), VZ-VA's
15 repeated attempts to use the Interconnection Agreement to establish caps
16 on the rates and charges that Cox may tariff for its services, facilities and
17 service arrangements; (9), VZ-VA's attempt to use this Interconnection
18 Agreement as a vehicle to cause Cox a significant financial penalty by
19 forcing Cox to temporarily reconfigure its existing interconnection
20 arrangement with VZ-VA while negotiating any renewal of this agreement
21 under the Act; and (10) VZ-VA's attempt to arrange for the termination of
22 Cox's access to VZ-VA's OSS using processes and timeframes shorter
23 than those agreed to by both parties for all other instances of alleged non-
24 compliance with this Agreement. I do not address here Cox Issue No. 11,
25 which Cox believes to be a legal issue. This issue deals with the manner
26 in which the rates, terms and conditions for transit traffic contained in a
27 Rhode Island interconnection agreement between affiliates of Cox and
28 Verizon are to be adopted for application in Virginia.

29

30 The following testimony presents the situation, as I understand it to
31 currently exist, as to the issues identified above.

32

33

34

35

36

6. THE ISSUES IN DETAIL

Q. DR. COLLINS, WHAT IS COX ISSUE No. (1) WITH RESPECT TO THE INTERCONNECTION POINT/POINT OF INTERCONNECTION AND THE RELATIONSHIP OF BOTH OF THEM TO THE CONCEPT OF GEOGRAPHICAL RELEVANCE?

A. In the language of VZ-VA, the Interconnection Point ("IP") is a point at which the Party who receives traffic originating on the network of the other Party assesses Reciprocal Compensation charges for the further transport and termination of that traffic. Whereas, the Point of Interconnection ("POI") means the physical location where the originating Party's facilities physically interconnect with the terminating Party's facilities for the purpose of exchanging traffic.

It should be noted that in VZ-VA's schema the IP and the POI do not have to be at the same location. This differentiation allows VZ-VA to provide for interconnection in compliance with the Act, that is at any technically feasible point, while at the same time collecting for the transport from that point of interconnection to their end and tandem office switches. That is, under VZ-VA's proposal, there are many POI's but the IPs are restricted to end office and tandem locations with the further restriction that the carrier originating traffic to VZ-VA is required to either deliver to, or pay for the delivery of its traffic to, the VZ-VA IPs regardless of the geographical relationship of the POI to the IP.

However, when VZ-VA originates traffic it does not want to pay for the delivery of its traffic from the terminating carriers POIs to its IPs. VZ-VA wants the carrier that will terminate VZ-VA's traffic to either carry the VZ-VA traffic from the VZ-VA POIs to the terminating carrier's IPs for free or to pay VZ-VA for all costs over that for a diminimus distance for VZ-VA's delivering the traffic which flows from VZ-VA's customers to the competitor's customers. Under VZ-VA's language for the Agreement Cox would incur this liability.

1 VZ-VA has coined the term of art "geographical relevance" to describe,
2 and perhaps mask, the concept of its competitors paying for both
3 (originating and terminating) sides of traffic delivery and, as a
4 consequence, VZ-VA paying an absolute minimum for the transport of VZ-
5 VA's originating traffic, while the new market entrants, such as Cox, pays
6 the rest of the cost. This is in addition, of course, to Cox paying for the
7 Cox originated traffic as well.

8
9 In addition, under the concept of geographical relevance VZ-VA wants
10 new market entrants, such as Cox, to designate POIs and IPs that will
11 emulate those of VZ-VA. This will, of course, also require the new market
12 entrant to emulate the character of the VZ-VA network architecture, and
13 this VZ-VA construct is another "Issue" in the Arbitration. Not surprisingly
14 this requirement will also tend to maximize the capital cost for the
15 competitor's (Cox's) network, decrease its efficiency, and increase the
16 recurring unit cost for traffic transmission.

17
18
19 Q. DR. COLLINS, WHAT IS THE ISSUE RELATED TO PHYSICAL
20 ARCHITECTURE OF THE NETWORKS?

21
22 A. In essence, and after cutting through the language, VZ-VA wants
23 competing carriers to design their networks to match that of VZ-VA's
24 legacy network. That is, to have as many IPs as does VZ-VA and with the
25 same geographic spacing between them. This means that the competing
26 carrier's networks will have to follow the same topology as that of VZ-VA.
27 If the competing carriers IPs are specified as being at their end
28 office/tandem switches it follows that the geographic location of those
29 switches will closely match those of VZ-VA. As noted above, this will
30 increase the capital investment and recurring operating costs by orders of
31 magnitude. These increased costs will raise the financial barrier to market
32 entry for companies contemplating market entry and will significantly
33 shorten the market presence of carriers already in the marketplace.

1 Q. WHAT WOULD YOU ASK THE FCC TO DO WITH RESPECT TO THIS
2 ISSUE?

3
4 A. The FCC has only to enforce the Act and its own implementing rules as
5 they regard this issue - rules that have not been affected by any court
6 action. That is, the FCC should enforce the notion that interconnection
7 between networks for the delivery of traffic should be required at any
8 technically feasible point.

9
10 That is, the IPs should be, as Cox proposes, at each party's central office
11 when the terminating traffic levels justify it and the traffic is directly routed
12 to that end office, and that each party should bear its own costs in
13 delivering its traffic to those IP(s). Once the traffic is on the network of the
14 terminating carrier that carrier should complete the call at the mutual
15 compensation rates. This will clear up the battle of language and terms of
16 art and at the same time clear up the issue of geographical relevance and
17 VZ-VA dictating Cox's network architecture. The FCC should reject VZ-
18 VA's proposal and accept the proposed language of Cox as shown on
19 Cox Petition Exhibit No. 3 and on Exhibit No. 6.

20
21
22 Q. IN COX ISSUE No. (2) YOU INDICATED THAT VZ-VA WANTED COX
23 TO DISCOUNT COX'S MILEAGE SENSITIVE RATE ELEMENT FOR
24 CONNECTING FACILITIES – SO CALLED “ENTRANCE FACILITIES”.
25 WHAT IS THAT ISSUE ALL ABOUT?

26
27 A. Entrance Facilities, typically one way telecommunication trunk groups, are
28 used to connect networks together at a switching office to which traffic is
29 being terminated for the exchange of traffic between those networks.
30 These facilities have a number of traffic transmission supporting
31 components which are aggregated into groups called chargeable
32 elements. In turn these chargeable elements can be further divided into
33 those for which a flat or fixed monthly rate applies, independent of
34 distance, and another distance sensitive component. VZ-VA charges for
35 both of these components but is attempting to force Cox to eliminate
36 Cox's distance sensitive charges.

1
2 Cox's position is that these charges should be even-handed. Cox either
3 transports the Cox traffic itself for termination to the VZ-VA IP/POI or pays
4 VZ-VA for both the distance sensitive and non-sensitive components
5 when leasing an entrance facility from VZ-VA. When the situation is
6 reversed the chargeable elements should apply to VZ-VA. VZ-VA is out
7 of line seeking a one-sided discount by paying only one of them - the
8 non-distance-sensitive component.
9

10
11 Q. WHAT WOULD YOU ASK THE FCC TO DO WITH RESPECT TO THIS
12 ISSUE?
13

14 A. I ask that the FCC support the clear intent of the Act and its own clear
15 Implementation Orders regarding this issue. That is, to rule that VZ-VA, in
16 its position as a local exchange traffic co-carrier, does not warrant any
17 FCC mandated or dictated discounts from Cox which is what VZ-VA is
18 seeking. Note again that the Cox rate structure follows the same pattern
19 as the VZ-VA rate structure, that Cox is required to pay, with respect to
20 this issue. The FCC should reject VZ-VA's proposed language.
21

22 Q. DR. COLLINS, WHAT IS THE COLLOCATION ISSUE (COX No. 3) OVER
23 WHICH THE POSITIONS OF VZ-VA AND COX APPEAR TO BE IN
24 CONFLICT?
25

26 A. Neither the Act nor the FCC's Orders require new market entrants to
27 provide Collocation to other Carriers and for the good and sufficient
28 reasons discussed below. It is an obligation that has, by law, only been
29 levied against incumbent carriers such as VZ-VA and yet VZ-VA has
30 insisted that the Agreement contain language that obligates Cox to
31 provide collocation to VZ-VA to accomplish interconnection. On the other
32 hand, Cox has offered a number of interconnection possibilities to VZ-VA
33 any one of which is suitable to the purpose.
34

35 Cox permits certain customers to house equipment at its premises for
36 specific purposes but none of these purposes is for the interconnection of

1 the networks of two local exchange carriers to which VZ-VA is holding the
2 completion of the Interconnection Agreement hostage.

3
4 The provision of collocation is not symmetrical under the requirements of
5 the Act or the FCC for good reason. The new market entrants are and will
6 experience tremendous rates of growth as their market penetration
7 increases and as latent network usage is released from existing
8 customers because of the benefits of competition. This growth is starting
9 from a zero baseline and is generally difficult to forecast. Therefore the
10 needs for network elements, switching capacity and facility space is
11 somewhat unknown. To add to that the unforeseen demands for facility
12 space and supporting infrastructure that would be introduced by requests
13 for collocation from incumbent carriers would make the situation extremely
14 burdensome from a management, construction/implementation and
15 capital investment needs perspective.

16
17 The incumbents, on the other hand, have huge networks already in place
18 upon which the increases in traffic due to released latency and first time
19 customers will offset losses in traffic levels due to the competitive losses
20 of customers. The end result is a process of growth that can be managed
21 more easily and as a percent of capital investment is inconsequential.
22 Additionally, the downsizing of central and tandem office switching and
23 transmission equipment over the past decade has left significant amounts
24 of spare space, spare power, and spare infrastructure support
25 mechanisms in legacy buildings.
26

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

Q. WHAT WOULD YOU RECOMMEND THAT THE FCC DO ABOUT THIS ISSUE?

A. I recommend that the FCC remind VZ-VA that new market entrants, such as Cox, are not required to provide collocation to the incumbents and that language addressing that issue can only be included in the Agreement by mutual consent. Absent that mutual consent (which does not exist) it is inappropriate for VZ-VA to continue the delay of the completion of the Agreement by insisting on the language. The FCC should reject VZ-VA's proposal and accept the proposed language of Cox as shown on Exhibit No. 3 and on Exhibit No. 6.

Q. IN COX ISSUE NO. (4) YOU INDICATED THAT VZ-VA WAS USING THE INTERCONNECTION AGREEMENT AS A MEANS TO FORCE COX TO ENGINEER COX'S NETWORK IN ACCORDANCE WITH VZ-VA'S INTERNAL LEGACY NETWORK ENGINEERING GUIDELINES. WHAT ARE THE CIRCUMSTANCES SURROUNDING THIS ISSUE?

A. As background to this issue it is important to know that the new market entrants may employ a network architecture that is different than the legacy network architecture which provides the network skeleton of the incumbent local exchange carriers. As a consequence the engineering technological and economic guidelines for network expansion are significantly different for the new versus the legacy networks.

Cox's network implementation and expansion guidelines are different than those of VZ-VA and if Cox were to be forced to use VZ-VA's legacy guidelines to expand the Cox network it would simply be inappropriate. Therefore Cox, when delivering traffic to VZ-VA for transmission through the VZ-VA tandem switches, either to a VZ-VA subtending end office or to another Carrier, needs to do so using efficient transmission vehicles – such as DS-3 over fiber optic cable.

1 The DS-3 transmission medium can support 672 voice channels (28
2 DS-1s) at optimum transmission technological and economic performance
3 levels. These channels are capable of carrying 21,900 CCS of traffic at a
4 peaking factor of 1.5 and at the service levels Cox has chosen to provide
5 high quality service to its customers (Reference: Neal-Wilkinson trunk
6 capacity tables for full access trunk groups). The closer the loaded
7 capacity is to 672 channels, the more efficiently the system is used. If the
8 DS-3 capable system is used for far fewer voice channels, the system is
9 used technologically inefficiently and the per channel capital investment
10 and recurring cost rises, increasing Cox's cost of business operations.

11
12 VZ-VA has insisted that when the traffic loading on a newly installed DS-3
13 system from Cox to VZ-VA's tandem office increases from zero such that
14 24 channels of capacity, a DS-1, are used to complete traffic to any
15 specific end office or any specific alternative carrier, Cox must install a
16 separate trunk group to that end office and/or carrier. If Cox were to
17 voluntarily comply, or the FCC were to force Cox to comply, it would mean
18 extending Cox's network in an extremely inefficient manner and would be
19 force-fitting VZ-VA's legacy network engineering guidelines on the Cox
20 network. The end result would be to decrease the traffic carrying capacity
21 of a newly installed DS-3 to 463 and not 21,900 CCS when computed at
22 the same service level and for the same trunking parameters. This is a
23 decrease in Cox's network efficiency, which is a costly increase in per
24 traffic unit costs.

25
26
27 Q. YOU INDICATED THAT THERE WAS AN ISSUE (No. 4) RELATED TO
28 TRUNK GROUP SIZES AND LOADING. WHAT IS THE SUBSTANCE OF
29 THIS ISSUE AND ITS IMPACT ON COX?

30
31 A. During the first year or two a new market entrant's network traffic will
32 undergo significant changes and will fluctuate widely from day to day and
33 week to week. These changes and fluctuations occur because the
34 customer base is typically in a state of active flux. New customers are
35 added and their traffic magnitude and patterns (incoming and outgoing)

1 are simply unknown. During this period the traffic contribution of a few
2 large customers could double the total traffic on the network.

3
4 Good traffic engineering practices dictate that the traffic which will
5 terminate to VZ-VA during this period of time be terminated at VZ-VA's
6 tandem switches so as to then be routed to the VZ-VA customers served
7 by the end-offices which subtend those tandem switches as well as to
8 other carrier's networks. The best traffic engineering dictates that VZ-VA
9 should provide one interconnection point per LATA, the Tandem, and then
10 terminate the traffic on its network as is appropriate.

11
12 In either case when the traffic is stabilized and the daily/weekly
13 fluctuations are less than 10 to 20 percent of the average, direct trunks
14 should be installed between the end-offices which originate and terminate
15 significant amounts of traffic on a daily basis. Benchmark measures of
16 traffic for this trigger point to occur would be fifteen to twenty DS-1s. That
17 is traffic that would require trunks that could carry between 360 and 480
18 simultaneous calls.

19
20 The worst traffic engineering practice would be for the new market entrant
21 to attempt to guess where the sources and sinks of traffic will be and to
22 then install trunking capacity between these locations. If the guesses are
23 incorrect, the cost of provisioning and operating these empty trunks will
24 quickly raise the operating costs such that the company cannot be
25 profitable.

26
27 Therefore, it is critical to engineer the network and its topology very
28 carefully in the first years of operation.

29
30 VZ-VA is insisting that direct trunking be used when there is traffic
31 represented by trunk capacity that can only carry 24 simultaneous calls
32 originated by the customers of its competitors to the customers of VZ-VA
33 which are served by the same end office. Even if this made sense, and it
34 does not, in the early stages of growth the traffic may reach 24
35 simultaneous calls between end-offices for a short period and then drop
36 back. If VZ-VA is allowed to control this issue and force its inefficient

1 traffic engineering practices on its competitors the end result will be
2 increased costs. The capital investment costs will increase and the
3 depreciation and operating expenses will increase.
4
5

6 Q. DR. COLLINS, WHAT WOULD YOU ASK THE FCC TO DO ABOUT THIS
7 ISSUE?
8

9 A. In the spirit of compromise, Cox has offered to comply with VZ-VA's
10 request at a level of three DS-1s (72 channels and 1,851 CCS against the
11 system potential of 21,900 CCS) instead of one DS-1 (24 channels and
12 463 against 21,900 CCS). Although still economically burdensome, as a
13 comparison of the relative potential traffic levels (1,851 vs 21,900 CCS)
14 indicates, it is a compromise that Cox has offered to settle this issue. I
15 recommend that the FCC not force Cox to use VZ-VA's legacy network
16 engineering guidelines for the expansion of Cox's network. This can be
17 accomplished by the FCC establishing the level of three DS-1s as the
18 trigger point for requiring a rerouting of traffic from tandem connectivity to
19 direct VZ-VA end office or other carrier network connectivity.
20

21 Language which will provide for that outcome is included in Cox's Petition
22 Exhibit No. 6 (Cox Interconnection Agreement) and Cox's proposed
23 language in Exhibit No. 3 (Summary-Disputed Issues).
24
25

26 Q. IN COX ISSUE No. (5) YOU INDICATED THAT COX'S VIEW WAS THAT
27 VZ-VA SHOULD NOT EXEMPT LOCAL TRAFFIC TERMINATING AT
28 INTERNET SERVICE PROVIDERS FROM THE TOTAL POOL OF
29 LOCAL TRAFFIC FOR WHICH RECIPROCAL COMPENSATION WAS
30 DUE. WOULD YOU EXPLAIN THIS ISSUE AND COX'S POSITION
31 MORE FULLY?
32

33 A. The origination and termination points of a call, for the purpose of billing,
34 are determined by the vertical and horizontal coordinates of the rate
35 centers associated with the first six digits (i.e., NPA-NXX) of the called-
36 party's telephone number. That is the case when a local call is placed to

1 a business regardless of where that business routes the call for its internal
2 business purposes. The call could be forwarded to a distant call
3 answering or customer service center in another state, for example. It
4 could be a call answering or customer service center in the same state but
5 in a different LATA or outside of the local calling area within the originating
6 LATA. There is simply no way of knowing where the call actually winds
7 up and historically that has not been a problem because when the call
8 originated and terminated at NXXs in the local or EAS calling area it has
9 been classified as a local or EAS call for routing, end user billing,
10 accounting, and separations.

11
12 VZ-VA would like Cox to set decades of such call type determination
13 history aside and treat local calls to Internet service providers differently.
14 Cox is unwilling to do so independent of whether the call originates on
15 Cox's network and terminates to VZ-VA's network or vice versa. Cox
16 wants that traffic to be classified as it should be – local or EAS, and Cox
17 will pay VZ-VA for terminating Cox's local or EAS traffic and expects VZ-
18 VA to pay when Cox terminates VZ-VA's local or EAS traffic. The
19 treatment will be fair and symmetrical.

20
21
22 Q. WHAT CAN THE FCC DO TO SOLVE THIS DIFFERENCE BETWEEN
23 VZ-VA AND COX?

24
25 A. I recommend that the FCC approve the language used to address this
26 issue as Cox has provided it in Cox Petition Exhibit No. 6 (Cox
27 Interconnection Agreement) and Cox's proposed language in Exhibit No.
28 3 (Summary-Disputed Issues). This will provide a clear and balanced
29 treatment of the issue.

30
31
32 Q. DR. COLLINS, COX ISSUE No. (6) CLAIMS THAT VZ-VA IS
33 ATTEMPTING TO REQUIRE COX TO FORECAST THE TRAFFIC
34 ORIGINATED BY VZ-VA'S CUSTOMER'S WHICH TERMINATES TO
35 COX CUSTOMERS. IS THAT THE CASE?
36

1 A. It appears to be. Even though Cox does not have access to those
2 customer's records, nor does Cox have the ability to measure their total
3 originating traffic, nor does Cox determine how VZ-VA chooses to route
4 the traffic internal to the VZ-VA network, VZ-VA appears to demand that
5 Cox look into a crystal ball and provide a traffic forecasting service for VZ-
6 VA. To wit, the VZ-VA language is presented below for reference:

7
8 **"10.3.1 Trunk Administration.** For Traffic Exchange Trunk
9 groups, Cox will be responsible for monitoring traffic loads
10 and service levels on the one-way trunk groups carrying
11 traffic from Cox to BA; and BA will be responsible for
12 monitoring traffic loads and service levels on the one-way
13 trunk groups carrying traffic from BA to Cox. Cox will
14 determine the sizing and timing of new trunk groups and
15 trunk group additions for trunk groups carrying traffic from
16 Cox to BA. BA will determine the sizing and timing of new
17 trunk groups and trunk group additions for trunk groups
18 carrying traffic from BA to Cox. When Cox is aware of
19 unusual events affecting the volume of traffic and required
20 trunks in either direction (e.g., Cox signs up a new
21 Information Services Provider), Cox will contact BA to plan
22 and implement (if necessary) new trunk groups and trunk
23 group additions."
24

25 **"10.3.2 Trunk Forecasts.** Within ninety (90) days of the
26 Effective Date, Cox shall provide BA a two (2) year traffic
27 forecast of all Traffic Exchange Trunk groups over the next
28 eight (8) quarters in accordance with the BA CLEC
29 Interconnection Trunking Forecast Guide. Because the
30 Customer segments and service segments within Customer
31 segments to whom Cox markets its services are the most
32 significant factors affecting the number of trunks needed to
33 handle traffic volume in both directions, *the Cox trunk*
34 *forecast will include trunk groups carrying traffic from Cox to*
35 *BA, and trunk groups carrying traffic from BA to Cox*
36 [emphasis added]. Cox's forecast shall be updated and

1 provided to BA on an as-needed basis but no less frequently
2 than semiannually. Cox's forecast shall include, at a
3 minimum, Access Carrier Terminal Location ("ACTL"), traffic
4 type (Local Traffic/Toll Traffic, Operator Services, 911, etc.),
5 code (identifies trunk group), A location/Z location (CLLI
6 codes for Cox-IP's and BA-IP's), interface type (e.g., DS1),
7 and trunks in service each year (cumulative). BA agrees that
8 such forecasts shall be subject to the confidentiality
9 provisions - - - "

10
11 The Trunk Administration language proposed by VZ-VA in §10.3.1 clearly
12 indicates that Cox and VZ-VA are responsible for engineering their own
13 one way trunk groups that are used to carry traffic to the other. Yet,
14 referring to the italicized language VZ-VA has proposed for §10.3.2, it is
15 clear that VZ-VA wants Cox to provide the traffic forecast for VZ-VA's
16 customers who initiate calls to Cox customers. The VZ-VA position on
17 this issue simply does not make sense nor does it present a feasible
18 alternative to VZ-VA's doing its own forecasting.

19
20 Cox's language, as contained in Petition Exhibit No. 6 and Cox's
21 Proposed Language in Exhibit No. 3 reflects an accommodation by Cox,
22 offered to resolve this issue, and allows BA to provide its forecast to Cox
23 on an optional basis. In addition it provides for advanced notice between
24 companies when any special situations arise which may influence traffic
25 forecasts in an unexpected way. It also provides for a reconciliation of the
26 forecasts between the companies. It is effective, fair and balanced.

27
28
29 Q. HOW CAN THE FCC RECTIFY THE DIFFERENCE BETWEEN COX
30 AND VZ-VA ON THIS ISSUE?

31
32 A. The FCC can arrive at a settlement of this issue by recognizing that
33 historically all telephone companies did their own traffic forecasting.
34 There are two primary reasons for this fact. First, the level of service each
35 company provides to its customers on its own network depends on this
36 forecast and the company's reputation for quality service depends on it.

1 Second, when a call traverses two networks and one provides poor
2 service, the calling and called parties cannot distinguish which network is
3 at fault but is likely to blame the "new" company for any problem. Cox
4 does not want to accept the responsibility for "guessing" what VZ-VA's
5 traffic levels will be when VZ-VA can provide to itself, for the reasons
6 presented above, a more solidly based and accurate forecast.

7
8 If the FCC approves the language related to this issue as it appears in
9 Cox Petition Exhibit No. 6 (Cox Interconnection Agreement) and Cox's
10 proposed language in Exhibit No. 3 (Summary-Disputed Issues), the
11 result will be a balanced treatment of forecasting and one that can be
12 implemented.

13
14
15
16 Q. DR. COLLINS, COX ISSUE No. (7) REGARDS COX'S BELIEF THAT VZ-
17 VA IS INSISTING THAT IT HAS THE AUTHORITY AND RIGHT TO
18 INTRUSIVELY MONITOR COX'S ACCESS TO AND USE OF
19 CUSTOMER PROPRIETARY NETWORK INFORMATION (CPNI) WHICH
20 VZ-VA MAKES AVAILABLE TO COX THROUGH THE
21 INTERCONNECTION AGREEMENT. WHAT IS THE BASIS FOR THIS
22 BELIEF AND WHAT POSITION DOES COX HAVE ON THIS ISSUE?

23
24 A. VZ-VA's position is clearly set out in the language it has attempted to
25 force into the Interconnection Agreement. That is:

26
27 "BA shall have the right to monitor and/or audit Cox's
28 access to and use and/or disclosure of Customer Proprietary
29 Network Information that is made available by BA to Cox
30 pursuant to this Agreement to ascertain whether Cox is
31 complying with the requirements of Applicable Law and this
32 Agreement with regard to such access, use, and/or
33 disclosure. To the extent permitted by Applicable Law, the
34 foregoing right shall include, but not be limited to, the right to
35 electronically monitor Cox's access to and use of Customer

1 Proprietary Network Information that is made available by
2 BA to Cox pursuant to this Agreement.”
3

4 It is Cox's position that the VZ-VA language assumes a number of things
5 that are in fact not supportable. First, VZ-VA has no statutory authority to
6 act as an arm of either state or federal law enforcement bodies. Cox is
7 obligated by Agreement and Law to act responsibly and in accordance
8 with the law as to the CPNI information. Second, electronic monitoring by
9 VZ-VA of Cox's use of the information would require intrusive access to
10 Cox's internal systems, which support the storage, retrieval, and
11 application of such information. These systems are part of a coherent set
12 of systems which assist in managing practically all aspects of Cox's
13 business and access to one component could be used to access all
14 components. Cox simply does not want to grant rights to VZ-VA, under
15 the guise of the Interconnection Agreement, which opens Cox to the
16 possibility of someone computer hacking around inside Cox's business
17 application programs.
18
19

20 Q. HOW WOULD YOU PROPOSE THE FCC DEAL WITH THE VZ-VA
21 LANGUAGE?
22

23 A. I propose that the language and the issue be stricken in their entirety. The
24 FCC should reject VZ-VA's proposed language.
25
26

27 Q. DR. COLLINS, YOU CLAIMED IN YOUR SUMMARY OF THE ISSUES
28 FOR THE FCC, IN COX ISSUE No. (8), VZ-VA REPEATEDLY
29 ATTEMPTED TO USE THE INTERCONNECTION AGREEMENT TO
30 ESTABLISH CAPS ON THE RATES AND CHARGES THAT COX COULD
31 TARIFF FOR COX'S SERVICES, FACILITIES AND SERVICE
32 ARRANGEMENTS. WOULD YOU CLARIFY WHAT THE SUBSTANCE
33 OF THIS ISSUE IS AND WHAT COX'S POSITION IS WITH RESPECT
34 TO IT?
35

1 A. VZ-VA is apparently of the opinion that, because it is, by far the market
2 leader, its rates and its charges should trump those desired to be filed by
3 new market entrants. To that end VZ-VA has proposed in one section of
4 the Agreement that:

5
6 “§20.3 - - - ; provided, further that Cox may not charge BA
7 a rate higher than the BA rates and charges for the same
8 services, facilities and arrangements.”
9

10 It is readily apparent that VZ-VA is attempting to force an upper bound on
11 Cox's Tariffed rates and charges. Cox's cost structure is different than
12 that of VZ-VA because of a host of reasons. Not the least of which is VZ-
13 VA's purchasing power, now vastly expanded through its merger into the
14 new Verizon. If Cox's cost basis is higher than VZ-VA's, which is likely to
15 be the case, then to accept VZ-VA's caps would be to narrow the margin
16 for any potential coverage for those costs. The result would be to
17 decrease Cox's ability to sustain itself in the marketplace. Clearly, Cox
18 can not and does not support VZ-VA's anti-competitive language.
19

20
21 Q. WHAT WOULD COX ASK THE FCC TO DO WITH RESPECT TO THIS
22 ISSUE?
23

24 A. I recommend that the FCC strike the language in its entirety so that each
25 carrier can set its own rates and charges, subject to conditions outside of
26 the Interconnection Agreement. The FCC should reject VZ-VA's proposed
27 language.
28

29
30
31 Q. DR. COLLINS, COX ISSUE (9) INDICATES THAT IN COX'S OPINION
32 VZ-VA ATTEMPTED TO USE THE INTERCONNECTION AGREEMENT
33 TO FORCE COX TO TEMPORARILY RECONFIGURE ITS
34 INTERCONNECTION ARRANGEMENTS WITH VZ-VA WHILE
35 NEGOTIATING A POTENTIAL RENEWAL OF THIS CURRENT
36 AGREEMENT (THE AGREEMENT UNDER ARBITRATION) AS

1 PERMITTED BY THE ACT. IN WHAT MANNER DID VZ-VA MAKE THAT
2 ATTEMPT AND WHAT IS COX'S POSITION ON THE ISSUE?

3
4 A. Section 22.3 of the Interconnection Agreement, which is currently being
5 negotiated and arbitrated, addresses the circumstance wherein services
6 are continued while a continuation of the Agreement is being negotiated.
7 VZ-VA wants to supersede the Agreement in effect at that time by its
8 Statement of General Terms and Conditions, presuming it has one and as
9 it exists at the time, during the period of subsequent negotiations. Cox
10 believes that this temporary replacement of Agreements may require Cox
11 to reconfigure its interconnection arrangements to comply with the terms
12 of that Statement only to then undo those reconfigurations again to match
13 into the negotiated agreement.

14
15 This reconfiguration is likely to be disruptive to Cox's customers, costly to
16 achieve, and difficult to implement within the context of an operating
17 network. Cox has insisted that the terms of the VZ-VA Agreement upon
18 which all network interconnections and services have been based remain
19 in place on an interim basis. The processes and time period for
20 negotiating a continuation of an existing agreement or a new
21 interconnection agreement under the Act are well understood. Therefore
22 the interim period is fairly well constrained by law and the only exception
23 would be through the mutual consent of VZ-VA and Cox. VZ-VA is fully
24 protected as a result. Therefore, Cox has established what it believes is a
25 balanced position that minimizes the potential for unnecessary costs and
26 provides the best foundation for the negotiations.

27
28
29 Q. WHAT WOULD COX LIKE THE FCC TO DO WITH RESPECT TO THIS
30 ISSUE?

31
32 A. My recommendation to the FCC is that they approve the language
33 contained in Cox Petition Exhibit No. 6 (Cox Interconnection Agreement)
34 and Cox's proposed language in Exhibit No. 3 (Summary-Disputed
35 Issues) addressing this issue. That language provides for a continuation
36 of the VZ-VA / Cox Interconnection Agreement in place at the time while

1 the new Agreement is negotiated. The period provided under the Act for
2 those new negotiations is limited and VZ-VA will not suffer financial or
3 other harm outside of the terms of the agreement during that time.
4
5

6 Q. COX ISSUE No. (10) ADDRESSES THE TERMINATION OF COX'S
7 ACCESS TO VZ-VA'S OPERATIONAL SUPPORT SYSTEMS ("OSS's").
8 WHAT IS THE NATURE OF THE DIFFERENCES BETWEEN COX AND
9 VZ-VA ON THAT ISSUE?
10

11 A. The Interconnection Agreement contains a termination section (§22.6)
12 that governs the processes and time frames to be used if either Party
13 abrogates the Agreement in whole or in part in material ways. Cox's
14 position is that because these clauses are applicable to Cox's use of VZ-
15 VA's OSS it is not necessary to have yet other processes and times
16 associated with non-compliance related to the use of the OSS. . In the
17 hope of settlement, Cox offered to agree that such non-compliance would
18 constitute a material (rather than non-material or minor) breach of the
19 Agreement and that the processes and time frames applicable to material
20 breaches would therefore apply. This offer by Cox allows VZ-VA all of the
21 power of the "Term and Termination" section of the Agreement and, from
22 an administration viewpoint, should be sufficient.
23
24

25 Q. HAS COX INCLUDED APPROPRIATE LANGUAGE IN COX PETITION
26 EXHIBIT NO. 6 (COX INTERCONNECTION AGREEMENT) AND COX'S
27 PROPOSED LANGUAGE IN EXHIBIT NO. 3 (SUMMARY-DISPUTED
28 ISSUES) TO THE PETITION FOR ARBITRATION TO SOLVE THIS
29 ISSUE?
30

31 A. Yes, the language covers the points I have made above.
32
33

34 Q. DR. COLLINS, DOES THIS CONCLUDE YOUR TESTIMONY ON THE
35 ISSUES FOR WHICH COX IS SEEKING ARBITRATION?
36

- 1 A. Yes, it does.
- 2

1
2
3
4
5
6
7

EXHIBIT -A-

CV OF DR. COLLINS